

**BEFORE**

**THE PUBLIC SERVICE COMMISSION OF**

**SOUTH CAROLINA**

**DOCKET NO. 2016-398-E**

IN RE:

Application of Duke Energy  
Progress, LLC for Authorization  
under Article 13, Chapter 27 of Title  
58 of the Code of Laws of South  
Carolina (1976, as Amended) to Issue  
and Sell Securities

REPORT OF LEASE  
FINANCING

Pursuant to Order No. 2017-63 issued by the Commission in Docket No. 2016-398-E, on February 10, 2017, Duke Energy Progress, LLC (the “Company”) reports that, on May 15, 2015, it entered into a Natural Gas Pipeline Construction and Transportation Service Agreement (the “Agreement”) with a natural gas pipeline owner. Under the agreement, the pipeline owner has constructed and operates a natural gas pipeline and associated facilities to supply natural gas to the Company’s Asheville Combined Cycle electric generation plant. Effective upon the in-service date of the pipeline, May 15, 2019, the Agreement constitutes, in part, a lease by the Company of the pipeline.

The Agreement is a form of lease financing and is accounted for as long-term debt on the accounts of the Company. The pipeline is included on the Company’s balance sheet under property, plant, and equipment. As of the date of this report, there are \$425,136,723 of securities remaining available for issuance pursuant to Order No. 2017-63.

The Company files the Agreement herewith under seal as Confidential Exhibit A in the final form in which it was executed and delivered. The Agreement contains market-sensitive,

confidential and proprietary conditions that are specific to this counterparty, the disclosure of which could negatively impact the Company's ability to negotiate terms and conditions in a manner that results in the most beneficial contracts for its retail customers. The Company therefore requests that the Commission grant its request for confidential treatment pursuant to 10 S.C. Code Ann. Regs. 103-804(S)(2) and protect this information from public disclosure.

Respectfully submitted this 6<sup>th</sup> day of August, 2019.

DUKE ENERGY PROGRESS, LLC

Heather Shirley Smith, Esquire  
Deputy General Counsel  
Duke Energy Progress, LLC  
40 West Broad St., Suite 690  
Greenville, South Carolina 29601  
Telephone: (864) 370-5045  
[heather.smith@duke-energy.com](mailto:heather.smith@duke-energy.com)

s/Samuel J. Wellborn  
Samuel J. Wellborn (SC Bar No. 101979)  
Frank R. Ellerbe, III (SC Bar No. 01866)  
Robinson Gray Stepp & Laffitte, LLC  
1310 Gadsden Street  
Columbia, South Carolina 29201  
Telephone: (803) 929-1400  
[swellborn@robinsongray.com](mailto:swellborn@robinsongray.com)  
[fellerbe@robinsongray.com](mailto:fellerbe@robinsongray.com)

Attorneys for Duke Energy Progress, LLC

August 6, 2019

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**CONFIDENTIAL EXHIBIT A**  
**CONFIDENTIAL & PROPRIETARY INFORMATION**  
**FILED UNDER SEAL**